

OFFICE OF MANAGEMENT AND BUDGET

Notice; 2021 Statutory Pay-As-You-Go Act Annual Report

AGENCY: Office of Management and Budget (OMB).

ACTION: Notice.

SUMMARY: This report is being published as required by the Statutory Pay-As-You-Go (PAYGO) Act of 2010. The Act requires that OMB issue an annual report and a sequestration order, if necessary.

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SUPPLEMENTARY INFORMATION: This report can be found at <https://www.whitehouse.gov/omb/paygo/>.

Authority: 2 U.S.C. 934.

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This Report is being published pursuant to section 5 of the Statutory Pay-As-You-Go (PAYGO) Act of 2010, Public Law 111-139, 124 Stat. 8, 2 U.S.C. 934, which requires that OMB issue an annual PAYGO report, including a sequestration order if necessary, no later than 14 working days after the end of a congressional session.

This Report describes the budgetary effects of all PAYGO legislation enacted during the first session of the 117th Congress and presents the 5-year and 10-year PAYGO scorecards maintained by OMB.¹ Because neither the 5-year nor 10-year scorecard shows a debit for the budget year, which for purposes of this Report is fiscal year 2022,² a sequestration order under subsection 5(b) of the PAYGO Act, 2 U.S.C 934(b) is not required.

The budget year balance on each of the PAYGO scorecards is zero because the Protecting Medicare and American Farmers from Sequester Cuts Act (P.L. 117-71) shifted the debits on both scorecards from fiscal year 2022 to fiscal year 2023. The change directed by P.L. 117-71 is discussed in more detail in section IV of this report.

During the first session of the 117th Congress, two laws with PAYGO effects were enacted with emergency requirements under section 4(g) of the PAYGO Act, 2 U.S.C. 933(g). Four laws had estimated budgetary effects on direct spending and/or revenues that were excluded from the calculations of the PAYGO scorecards due to provisions excluding all or part of the law from section 4(d) of the PAYGO Act, 2 U.S.C. 933(d).

I. PAYGO Legislation with Budgetary Effects

PAYGO legislation is authorizing legislation that affects direct spending or revenues, and appropriations legislation

¹ This report encompasses laws enacted between January 3, 2021 at noon and January 3, 2022 at 11:56am (P.L. 116-285 through P.L. 117-81).

² References to years on the PAYGO scorecards are to fiscal years.

that affects direct spending in the years after the budget year or affects revenues in any year.³ For a more complete description of the Statutory PAYGO Act, see Chapter 6, "Budget Concepts," of the *Analytical Perspectives* volume of the 2022 President's Budget, found on the website of the U.S. Government Printing Office (<https://www.govinfo.gov/app/collection/budget/2022/BUDGET-2022-PER>).

The PAYGO Act's requirement of deficit neutrality is based on two scorecards that tally the cumulative budgetary effects of PAYGO legislation as averaged over rolling 5- and 10- year periods starting with the budget year. The 5-year and 10-year PAYGO scorecards for each congressional session begin with the balances of costs or savings carried over from previous sessions and then tally the costs or savings of PAYGO laws enacted in the most recent session.

The 5-year and 10-year PAYGO scorecards for the first session of the 117th Congress began with balances of zero in each year because Section 1401(d) of P.L. 116-260 set each year of the scorecards to zero at the end of the second session of the 116th Congress. Laws enacted during the first session of the 117th Congress created balances on the 5- and 10-year scorecards of \$370,633 million and \$187,020 million in each year, respectively. P.L. 117-71 shifted the fiscal year 2022 debits on both scorecards to fiscal year 2023. Therefore, the 2022 balance on both the 5- and 10-year scorecards is zero and the 2023 balances on the 5- and 10-year scorecards are \$741,265 million and \$374,039 million, respectively. The debit for the remaining years on the 5-year scorecard, 2024-2026, is \$370,633 million per year and the debit for the remaining years on the 10-year scorecard, 2024-2031, is \$187,020 million per year.

³ Provisions in appropriations acts that affect direct spending in the years after the budget year (also known as "outyears") or affect revenues in any year are considered to be budgetary effects for the purposes of the PAYGO scorecards except if the provisions produce outlay changes that net to zero over the current year, budget year, and the four subsequent years. As specified in section 3 of the PAYGO Act, off-budget effects are not counted as budgetary effects. Off-budget effects refer to effects on the Social Security trust funds (Old-Age and Survivors Insurance and Disability Insurance) and the Postal Service.

In the first session of the 117th Congress, 35 laws were enacted that were determined to constitute PAYGO legislation. Of the 35 enacted PAYGO laws, 12 laws were estimated to have PAYGO budgetary effects (costs or savings) in excess of \$500,000 over one or both of the 5-year or 10-year PAYGO windows. These were:

- P.L. 116-286, 1921 Silver Dollar Coin Anniversary Act;
- P.L. 116-313, To deem an urban Indian organization and employees thereof to be a part of the Public Health Service for the purposes of certain claims for personal injury, and for other purposes.;
- P.L. 116-315, Johnny Isakson and David P. Roe, M.D. Veterans Health Care and Benefits Improvement Act of 2020;
- P.L. 116-325, Bankruptcy Administration Improvement Act of 2020;
- P.L. 117-2, American Rescue Plan Act of 2021;
- P.L. 117-7, To prevent across-the-board direct spending cuts, and for other purposes.;
- P.L. 117-27, VOCA Fix to Sustain the Crime Victims Fund Act of 2021;
- P.L. 117-43, Extending Government Funding and Delivering Emergency Assistance Act;
- P.L. 117-58, Infrastructure Investment and Jobs Act;
- P.L. 117-61, Protecting America's First Responders Act of 2021;
- P.L. 117-71, Protecting Medicare and American Farmers from Sequester Cuts Act; and
- P.L. 117-76, Responsible Education Mitigating Options and Technical Extensions Act.

In addition to the laws identified above, 23 laws enacted in this session were estimated to have negligible budgetary effects on the PAYGO scorecards—costs or savings of less than \$500,000 over both the 5-year and 10-year PAYGO

windows—including the two laws enacted with emergency designations discussed below.

II. Budgetary Effects Excluded from the Scorecard Balances

A. Legislation Designated as Emergency Requirements

As shown on the scorecards, two laws were enacted in the first session of the 117th Congress with an emergency designation under the Statutory PAYGO Act, and that had PAYGO effects:

- P.L. 117-31, Emergency Security Supplemental Appropriations Act, 2021; and
- P.L. 117-39, Emergency Repatriation Assistance for Returning Americans Act.

The effects of the provisions in these laws that are designated as emergency requirements appear on the scorecard, but are subtracted before computing the scorecard totals.

B. Statutory Provisions Excluding Legislation from the Scorecards

Four laws enacted in the first session of the 117th Congress had estimated budgetary effects on direct spending and revenues that were excluded from the calculations for the PAYGO scorecards due to provisions in law excluding all or part of the law from section 4(d) of the PAYGO Act.

One law was excluded entirely from the scorecards:

- P.L. 117-6, PPP Extension Act of 2021.

In addition, budgetary effects in three laws were excluded by provisions excluding certain portions of those laws from the scorecards:

- P.L. 117-43, Extending Government Funding and Delivering Emergency Assistance Act;
- P.L. 117-58, Infrastructure Investment and Jobs Act; and

- P.L. 117-70, Further Extending Government Funding Act.⁴

III. PAYGO Scorecards

STATUTORY PAY-AS-YOU-GO SCORECARDS

(In millions of dollars; negative amounts portray decreases in deficits)

	2022	2023	2024	2025	2026
First Session of the 117 th Congress	370,633	370,633	370,633	370,633	370,633
Balances from Previous Sessions	0	0	0	0	0
Change in balances pursuant to Sec. 7 of P.L. 117-71	-370,633	370,633	0	0	0
5-year PAYGO Scorecard	0	741,265	370,633	370,633	370,633

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
First Session of the 117 th Congress	187,020	187,020	187,020	187,020	187,020	187,020	187,020	187,020	187,020	187,020
Balances from Previous Sessions	0	0	0	0	0	0	0	0	0	0
Change in balances pursuant to Sec. 7 of P.L. 117-71	-187,020	187,020	0	0	0	0	0	0	0	0
10-year PAYGO Scorecard	0	374,039	187,020	187,020	187,020	187,020	187,020	187,020	187,020	187,020

⁴ Section 2201 of P.L. 117-70 excluded the budgetary effects of Division C from the PAYGO scorecards. There were no PAYGO budgetary effects for Divisions A and B of P.L. 117-70, so the scorecards do not include an entry for P.L. 117-70.

IV. Legislative Revisions to the PAYGO Scorecards

Section 7 of P.L. 117-71, the Protecting Medicare and American Farmers from Sequester Cuts Act, states, “For the purposes of the annual report issued pursuant to section 5 of the Statutory Pay-As-You-Go Act of 2010 (2 U.S.C. 934) after adjournment of the first session of the 117th Congress, and for determining whether a sequestration order is necessary under such section, the debit for the budget year on the 5-year scorecard, if any, and the 10-year scorecard, if any, shall be deducted from such scorecard in 2022 and added to such scorecard in 2023.” Accordingly, both the 5- and 10-year scorecards deduct the debit from 2022 and add that debit to 2023.

V. Sequestration Order

As shown on the scorecards, the budgetary effects of PAYGO legislation enacted in the first session of the 117th Congress, combined with section 7 of P.L. 117-71, resulted in no costs on either the 5-year or the 10-year scorecard in the budget year, which is 2022 for the purposes of this Report. Because the costs for the budget year, as shown on the scorecards, were set to zero for the budget year, there is no “debit” on either scorecard under section 3 of the PAYGO Act, 2 U.S.C. 932, and a sequestration order is not required.⁵

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⁵ Sequestration reductions pursuant to the Balanced Budget and Deficit Control Act (BBEDCA) Section 251A for 2022 were calculated and ordered in a separate report and are not affected by this determination. See: https://www.whitehouse.gov/wp-content/uploads/2021/05/BBEDCA_251A_Sequestration_Report_FY2022.pdf